



Riker Danzig Client Calpine Corporation Acquires Conectiv Energy

Riker Danzig Scherer Hyland & Perretti LLP announced that its client Calpine Corporation completed the acquisition of Conectiv Energy and its electric generation business from Pepco Holdings Inc. for \$1.63 billion after adjustments. Riker Danzig served as New Jersey counsel in the acquisition, which includes 19 power plants, including one under construction, with a total generating capacity of 4,490 megawatts (MW) located in five Mid-Atlantic states in the PJM market.

James C. Meyer, who led the regulatory team for Riker Danzig on the transaction, explained that the acquisition will allow Calpine to establish a foothold in PJM, one of the country's most competitive power markets, while maintaining its commitment to clean energy and environmental leadership in power generation. Calpine will use natural gas as the primary fuel source for the plants in the Conectiv acquisition, including two that were previously fueled by coal, consistent with its use only clean-burning natural gas or renewable geothermal energy in its 93 power plants and nearly 29,000 megawatts of generation capacity.

The purchase was financed through a combination of corporate cash and a \$1.4 billion credit agreement entered into by New Development Holdings LLC, a wholly owned Calpine subsidiary. The agreement consists of a \$1.3 billion amortizing, seven-year senior secured term facility and a \$100 million, three-year senior secured revolving credit facility.

Joining Mr. Meyer from Riker Danzig on the transaction were partners Marilyn R. Greenberg on environmental issues, Charles S. Detrizio on corporate issues, Nicholas Racioppi on real estate issues, Robert C. Daleo on tax issues, and James L. Lott, Jr. on land use issues. New York firm White and Case served as general counsel on the acquisition for Calpine Corporation.

Attorneys:

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